

## Message Text

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PAGE 01 BRUSSE 06978 151421Z

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SS-15 USIA-06 /094 W

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FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 7431

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS EFIN, BE

SUBJECT: BELGIAN VIEWS ON THE GENTLEMAN'S AGREEMENT

REF: BRUSSELS 5081, 5560, 5715, SECTO 17049 (NOTAL)

1. THE BELGIAN FOREIGN MINISTRY PRESS SPOKESMAN COMMENTED JULY 7 ON THE RECENTLY CONCLUDED SEVEN-GOVERNMENT GENTLEMAN'S AGREEMENT ON EXPORT CREDITS. HE DEPLORED THE LACK OF A COMMON EUROPEAN COMMUNITY POLICY ON EXPORT CREDITS, NOTING THAT THE EUROPEAN COURT HAS RULED THAT EXPORT CREDITS ARE A COMMUNITY ISSUE. HE CONCLUDED BY SAYING THAT BELGIUM APPROVED OF THE SUBSTANCE OF THE AGREEMENT REACHED BY THE SEVEN.

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PAGE 02 BRUSSE 06978 151421Z

2. SUBSEQUENTLY, WE DISCUSSED THE BELGIAN VIEW WITH M. SCHOLLAERTS, CHEF DE CABINET TO THE MINNISTER OF FOREIGN TRADE, WHO HAD A HAND IN THE PRESS STATEMENT. SCHOLLAERT SAID THAT THE PRESS SPOKESMAN PUT A MISPLACED EMPHASIS ON BELGIAN DISAPPOINTMENT AT THE LACK OF A COMMON EUROPEAN COMMUNITY POLICY (AT THE BEHEST, PERHAPS, OF THE POLITICAL SIDE OF THE FOREIGN MINISTRY). SCHOLLAERT TOLD US THAT BELGIUM UNDERSTANDS THERE WAS NO REALISTIC POSSIBILITY OF A COMMUNITY-WIDE AGREEMENT BECAUSE FINANCIAL CONDITIONS DIFFER SO GREATLY AMONG THE NINE. BELGIUM, IN PARTICULAR, CANNOT COMPETE ON CREDIT TERMS FOR EXPORTS TO LDCS WITH SEVERAL COMMON MARKET PARTNERS, BEING OBLIGED TO CHARGE SOME 2 PERCENT HIGHER INTEREST RATES THAN RECOMMENDED IN THE GENTLEMAN'S AGREEMENT GUIDELINES. SCHOLLAERT SAID THAT IN PRACTICAL TERMS THE GENTLEMAN'S AGREEMENT IS A WORTHWHILE FIRST STEP BY THE LARGEST INDUSTRIAL COUNTRIES TO LIMIT COMPETITION IN THIS AREA AND BELGIUM WELCOMES IT. HE ADDED, WITHOUT FURTHER EXPLANATION, THAT BELGIUM WOULD THINK ABOUT JOINING THE AGREEMENT AS SOON AS ITS OWN SITUATION PERMITS.

3. COMMENT: SCHOLLAERT'S ALLUSION TO "THE POLITICAL SIDE" OF THE FOREIGN MINISTRY WAS A REFERENCE TO DIRECTOR GENERAL FOR POLITICAL AFFAIRS DAVIGNON. RECENTLY DAVIGNON HAS EXPRESSED CONCERN ABOUT EC FAILURE TO TAKE DECISIONS IN A SUCCESSION OF IMPORTANT POLICY MATTERS, AND HAS TAKEN ADVANTAGE OF EVERY OCCASION TO PUSH HIS VIEW THAT THE COMMUNITY SHOULD ARRIVE AT COMMON POSITIONS IN ALL APPROPRIATE AREAS. FROM THAT PERSPECTIVE, IT IS CONSISTENT FOR BELGIUM TO AGREE WITH THE SUBSTANCE OF AN INTERNATIONAL UNDERSTANDING LIKE THE GENTLEMAN'S AGREEMENT, WHILE HAVING RESERVATIONS ABOUT THE PROCUDURES OF STRUCTURES THROUGH WHICH THE UNDERSTANDING IS WORKED OUT. FIRESTONE

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## Message Attributes

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